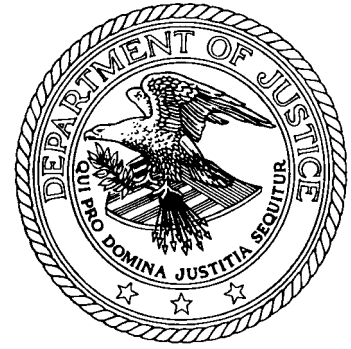


# ***NEWS RELEASE***

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## ***OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA San Diego, California***

***United States Attorney  
Carol C. Lam***

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***For Further Information, Contact: Assistant U. S. Attorney Kevin J. Kelly, 619-557-6216  
or Assistant U.S. Attorney Sanjay Bhandari, 619-557-7042***

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***For Immediate Release***

### **NEWS RELEASE SUMMARY** - May 2, 2005

United States Attorney Carol C. Lam announced that John D. Garitta, the former Chief Financial Officer of PinnFund, USA., Inc. was today sentenced by United States District Court Judge Marilyn L. Huff to serve 48 months in custody and five years of supervised release for his role in the PinnFund ponzi scheme. Garitta was also ordered to pay \$241 million in restitution, jointly and severally with his co-conspirators. In August 2002, Garitta pled guilty to one count of conspiracy to commit wire fraud, one count of conspiracy to commit money laundering, three counts of tax evasion, and one count of filing a false statement with the Department of Housing and Urban Development. He also agreed to cooperate with authorities in the investigation and prosecution of other co-conspirators.

In total, the defendant and his co-conspirators fraudulently attracted over \$330 million in investor funds, rendering it one of the largest fraud schemes in the history of the Southern District of California. Former PinnFund Chief Executive Officer Michael Fanghella and President Keith Grubba have also pled

guilty to charges similar to those to which Garitta pled guilty. Fanghella was previously sentenced to 120 months in prison, and Grubba was sentenced to 63 months.

**DEFENDANT**

John D. Garitta

**INVESTIGATING AGENCIES**

Federal Bureau of Investigation

Internal Revenue Service – Criminal Investigation

Department of Housing and Urban Development, Office of the Inspector General